



**MARKETING POLICY IN SYNTHETIC FABRIC UNIT
A CASE STUDY OF BHILWARA SYNTHETIC Ltd.
BHILWARA (RAJ.)**

DISSERTATION

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BY

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guidance.

I am satisfied that it is his
own work and is based on the investigations,
survey and data collected by him.


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P R E F A C E

Synthetic Fabric Industry in India has emerged, in the recent past, as one of the most expanding industries and also one of the most flourishing industries. It has achieved significant growth both in the field of production as well as marketing and sales. Synthetic fabrics are making deep penetration into the fabric market. Synthetic's share in the fabric market has grown from 38% in 1974 to 55% in 1980 and is most probably expected to rise 75% in 1985.

Despite an overwhelmingly increasing demand, the Synthetic fabric industry's growth has been sluggish which tempted me to explore the marketing policies in synthetic fabric industry. For this purpose, I choose 'Bhilwara Synthetic Limited, Bhilwara'. I went in depth study of synthetic fabric industry with special reference to Bhilwara Synthetic Ltd.

Chapter first forms an analysis of the up-to-date history of textile. Same chapter also includes the discovery of the Synthetic fibre. Some light has also been thrown over the existance of synthetic fabric in India. This includes up-to-date position of synthetic fabric industry of India and various types of textile.

Chapter second entitled 'A Brief History of the Bhilwara Synthetic Ltd', reveals coming up of the company, its status and production since its establishment. Sales policy of the concern

effective from 1.10.'82 is also discussed. I have also tried to give some suggestive comments on company's sales policy. Position of the company in the context of Indian synthetic fabric industry has also been discussed.

The third chapter deals with the location, management, infrastructure and technology used, sources of raw material, method used by company for costing, auditing & internal control, security arrangements and R & D programme of the company.

The fourth chapter focusses attention on various factors which are taken into account at the time of fixing the sales target.

The fifth chapter studies the pricing policy in synthetic fabric industry. Various constituents and methods have also been discussed. Method of price fixing in Bhilwara Synthetic Ltd has also been dealt with.

The sixth chapter is, primarily, concerned with advertising policy in synthetic fabric industry. This also includes various media used for advertising and advertising policy of Bhilwara Synthetic Ltd.

In the seventh and final chapter, production procedure of synthetic fabric unit is given in brief.

C H A P T E R - I

HISTORY OF TEXTILE

The word 'Textile' is a derivative of the Latin word 'Texere' which means a woven product. This includes fibre, yarn, tread, twine, felt, carpet, net so on and so forth.

The appearance of the first textile was of a woven material made of long fibrous leaves which was, most probably, used as a mat.

As far back 40 to 50 thousands years, during the stone age, a tribe called as 'cro-magnon' was seemed to have made activities in weaving the textile. The fossils of the tribesmen were discovered in 1868, in the vicinity of Vezere river in France which made us known that they used to sew their clothings and tends as well made of skin and fur. The first ever fishing net was made during the Mesolithic times.

Archaeologically, textile by its nature is a perishable product to a certain extent. It is considered that the oldest type of textile, made of flax, was found in the caves, the

dwelling of the tribes somewhere in Switzerland.

Almost 6000 years back, in the Badari era, groves were supplied as raw material to the textile producing countries, for weaving cloth specially Peru and Egypt. It is observed that the use of cotton fabrics was in practice near about 3500-3000 B.C. in countries like Egypt India Mexico, Peru etc.

There existed a superstition in the ancient period that a man desirous ~~for hunting the animal~~ for performing the ritual customs was socially and superstitiously bound to wrap the nude body with the skin of the same animal which was aimed to be hunted. Man has always been, by his nature at the climax of fulfilling his ego in order to outshine the people surrounding him. That might be a reason for weaving some of the attractive textiles not only with a view to wrapping his nudism but also showing off ostensible decorative clothing. Prior to think for covering the naked body, man used to use precious ornament for the purpose of decorating his or her body but it costed him too much. As regards to the wrapping of nudism with cloth, it is well regarded to be cheaper ~~then~~ ornament so far as the cost is concerned and more attractive and facinating than that of the invaluable ornaments consisted of gold, precious stones etc.

In the olden time, textile is stated to have been worn at the time of special religious congregations only, but, with

the passage of time, its importance became so vital that man preferred wearing it on all occasions rather than the religious functions.

The Hindus chant "Vastram Samarpayami" in almost every 'Puja' that they perform and offer a symbolic piece of cloth or thread to the Gods. The sacred thread worn by the Brahmin as brought in use almost 2000 years ago by Manu, the Hindu Law Giver, had to be made of cotton.

In Greek mythology, there are three Goddesses of fates, akin to the Hindu trinity. The second of the fates named Clotho from which the word cloth probably originated- weaves the pattern of man's destiny, while Atropos, the third of the fates is the one who cuts the threads.

It is certain that every ethnic group has some aspect of textile, woven to the fabric of its mythology.

1.1 DISCOVERY OF SYNTHETIC FIBRE :

In 1664, a British naturalist Robert Hooke initiated the idea of artificial silk by imitating the silk-worm's method. A French physicist probed the idea further. The next breakthrough came in 1855 when a Swiss chemist produced a fibre on a laboratory scale. However, it did not appear to be commercially viable.

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Another British scientist, Sir Joseph William Swan, succeeded in 1880 in developing 'artificial silk' but he also did not exploit his invention in textiles and used it for engineering only.

Count Hilaire de Bernigand de Chardonnet of France, known as "Father of Rayon industry", after 30 years of painstaking labour based on the research of earlier inventors, produced artificial silk. In 1889, he created a great sensation all over the world by displaying the new fibre.

The first synthetic fibre produced from chemicals came a bit later. The first synthetic fibre i.e., 'Nylon' was invented by an American Organic Chemist, Wallace H. Carothers. He toiled for 10 years with a group of scientists and finally stumbled upon a fibre, first called 'Polymer-66'. Later, they christened it by a new name i.e. NYLON by taking first letters of New York and the last three letters of London.

1.2 SYNTHETIC FABRICS IN INDIA :

The textile scene in India, reveals the growth over the years in the field of Terylene and other blends of the limited market of the fifties, that had only cotton, silk and wool.

Before 1962, there was no synthetic textile in India. Man made fibre entered into the production field in 1950,

whereas in abroad, commercial production of synthetics started in the forties.

The first unit to manufacture Viscose Rayon Filament yarn, was 'The Travancore Rayons Ltd' which was incorporated in 1945. But the actual production started in 1950, when the job of setting up this unit was successfully completed and turned out its first consignment.

In 1951, it was the only unit manufacturing about 2,500 tonnes of Rayon filament yarn in India. But the Industry grew gradually. At present about 1,11,650 powerlooms, employing about three lakh workers, are engaged in weaving man made fibre fabrics. Besides, there are 4.3 lakh handlooms too.

The power loom units are spread all over India. The main centres are Bombay, Bhiwandi, Amritsar, Ludhiana, Dodhallpur. Gujarat which are in the forefront of Textile producing centres. Maharashtra is the second in line. Strangely, 81% of the powerlooms are at small-scale, revealing how decentralised and unorganised the sector is.

The production pattern changes from state to state and area to area. In Ludhiana, they use viscose filament yarn and staple fibre. In Bhiwandi, it is rayon and nylon and in Bangalore it is the superior variety of viscose. In Bombay and Surat, it is viscose, acetate and synthetic fibre.

Earlier, the popular varieties were satin, crepes, georgettes, doria, chinon and chiffon. Now the emphasis is more on nylon and polyester cloth.

A round the world, however, nylon's share ² has dropped from 50.5% to 32.9% in the last decade. Polyester has grown from 28.9% to 47.3%. In India, nylon production went up from 2.45 million kg. in 1967 to 16 million in 1977, an increase of 800%. Polyester production also ~~increase~~ from three million kg in 1967 to 25.4 million kg in 1977.

India being a poor country, the per capita consumption of synthetic and man-made fabrics, is far less than most other countries in the world. Per capita world consumption of man made fibre was 2.9 kg in 1974 and is estimated to be 3.5 kg now. India's per capita consumption was a negligible 0.2 kg in 1974. Even a developing country like Brazil has 1.4 kg per capita consumption per year, in spite of the fact that Brazil's population increased by 31% as compared to 25% population increased in India, in a decade.

In foreign countries, cotton is more expensive than synthetic fabrics while in India, we have a reverse phenomenon. In India, polyester blended textiles are expensive because of crippling excise duties imposed at various levels of production of fibre, or yarn of fabrics and while marketing. According to

rough estimate 80 to 85% of the money paid by the consumer goes to the Government exchequers.

Mr. R.P. Poddar of Century Mills, in his booklet, 'International Economic Order and Exports of Textiles From India' says, "The Government and industry should first of all understand and decide that export is must, taking into consideration the overall picture of our country's economy in particular and keeping abreast of the world's market in general. Till such time as India goes over to the sophisticated technology of the West, it should make the best use of the technology to which it is eminently suited".

Therefore, in this context, the enlargement of the domestic market to international field as wide as possible should be considered as an urgency in the interest of creating more employment at home and greater opportunities for the developed countries to make available capital goods and raw materials which are so essentially required for broadening out the Indian economy. }

His emphasis on export of textiles can be understood from the authentic and clear fact that though India earns Rs.5000 to 6000 millions from textile exports, it is only 0.40 to 0.50 of the world market. By decreasing the crippling duties on synthetic fabrics, thus, increasing the consumption

and the production. The Government can encourage this modern industry to produce the fabrics at cheaper costs by improving its quality.

1.3 TYPES OF TEXTILE :

There exist no scientific classification of the types of fabrics. As the product life of the fabric starts from designer's sketch book and finishes at the ultimate consumer via weaving supervisor, dyer, finisher, sales agents and retailers. Now, all the persons involved in these stages do not have the same understanding of terms. If one understands correct definition of term used in connection with cloth, the chances are better to understand the term regardless at which stage of fabric he is involved in. Fabrics are classified into the following groups, according to fibres of which they are composed :

- I Cotton and Linen
- II Woolen and worsted
- III Silk

Now, man made fibre such as acetate and nylon, also has been added to the silk category. The etymology of the terms may be traceable to the fact that the fabric were originally developed for cotton trade or are usually made of cotton or fabrics have the characteristics associated with cotton.

C H A P T E R - I I

A BRIEF HISTORY OF THE BHILWARA SYNTHETICS LIMITED, BHILWARA :-

The company was promoted by well known and reputed persons namely Sh. Sagarmalji Surekha S/O Hanuman Bakhsh Surekha of Calcutta and Sh. Brij Mohan Prasad S/O Sh. Kapil Dev Prasad, Calcutta. The company is a unit of fast-growing group namely Bhilwara. The company was incorporated with an authorised capital of Rs.5,00,000/- , divided in 5000 equity shares of Rs.100/- each, as Private Limited company. Later, in the year 1970-71, the authorised capital was increased from Rs.5,00,000 to Rs.20,00,000 divided into 20,000 equity shares of Rs.100/- each. Later on, the shares upto the accounting year 1978-79, the authorised capital was Rs.20,00,000/- and paid up capital was Rs.15,83,000/-. The same was increased during the year 1979-80 to Rs.50,00,000/- and Rs.40,83,000/- respectively by issuing further shares of Rs.25,00,000/-.

The company remained a Private Limited Company till 1974-75 and from 1975-76, it became a Public Limited Co. In the first year i.e. 1970-71 , the company was doing business of

sale and purchase of cotton as well as production of grey fabric. In the year 1972-73, the company started marketing of finished fabrics. In the year 1978-79, the company became subsidiary of Rajasthan Spinning and Weaving Mills Limited (RSWM). But in the year 1979-80, the company ceased to be a subsidiary of RSWM Ltd . On account of further issue of shares of Rs. 25,00,000/- during the year. Upto the accounting year 1975-76, the company was getting its fabric processed by the units located in Delhi and Bombay and at Faridabad and Modi Nagar. From 1976-77, a modern synthetic process house has been installed at Mandpan, Bhilwara namely Bhilwara Processing Ltd . Previously, the company was facing many problems in getting its fabric processed by the outside units like delay in transit, poor finishing etc. By installation of Bhilwara Processing Ltd these problems have been removed.

The fabric processed in by Bhilwara Processing Ltd is considered to be the best quality finish in the synthetic market.

In the beginning, the company has installed 8 out of the licenced capacity of 24 looms. The year-wise position of looms at a glance/^{is}as under :-

YEAR	LICENCED CAPACITY	INSTALLED CAPACITY	P R O D U C T I O N	
			(Meters in '000)	(In Lakhs of Rs.)
1970-71	24	8	62	22.35
1971-72	24	16	188	65.80
1972-73	24	16	212	74.20
1973-74	24	16	198	71.30
1974-75	48	16	243	85.00
1975-76	48	28	314	114.60
1976-77	48	32	361	129.90
1977-78	48	32	497	183.90
1978-79	48	48	755	286.80
1979-80	48	48	784	298.00
1980-81	48	48	806	314.30
1981-82	48	48	820	328.00

2.1 SALES POLICY OF BHILWARA SYNTHETIC LIMITED EFFECTIVE
FROM 1.10.82 :-

Bhilwara Synthetics Limited (BSL), a company of 'Bhilwara' group, has revised its sales policy with greater pragmatic incorporation of market parameters. This Sales Policy is applicable only to the wholesale dealers of BSL, with effect from 1st Oct.1982.

2.1.1 Dealers : The company shall appoint, at its discretion, two types of wholesalers :-

1. Exclusive wholesale dealer at dealer's request.

2. Authorised wholesale dealer.

However, the Agents shall not be the dealer.

2.1.2 Terms of Payment :-

i) Documents against Payment (DP) :- Documents drawn on D.P. basis will be detained in the bank for 30 days from the date of presentation. In case payments are made within 10 days of presentation, no interest will be charged by the bank. Any payment made after ten days would attract interest for remaining days after the grace period of 10 days.

ii) Documents against Acceptance (DA) :- Where DA facility has been agreed and, if possible, credit to the maximum of 45 days would be given from the date of presentation out of which 30 days would be free from interest from the date of presentation and the balance 15 days with interest which would be charged in the bill itself. The credit amount would vary as per company's credit Policy and the past performance of the dealers.

All dealers availing DA facility from the company, the company shall take a deposit of minimum 10% on the amount of DA facility given. This should be calculated on the total DA facility as on 30th Sep. 1982 for the existing dealers and in the case of new dealers, DA deposit would be calculated on the basis of DA at the end of each quarter. Such deposit would be adjusted from the incentives and discount accrued to the dealer and this amount will carry an interest of 15% payable yearly.

2.1.3 Dealers Deposit :- Minimum deposit of Rs.10,000/- will be paid by every wholesale dealer to BSL which will remain in their Dealership Deposit Account. This deposit will be paid to the company the day they are appointed wholesale dealer of the company. The agent of the area, if any, would be responsible for getting the deposit before any supplies are made to the dealer. Such deposit would attract an interest at the rate of 15% p.a.

2.1.4 Bank Procedures and Charges :-

i) Bank of Rajasthan Limited are BSL's banker. No document will be sent through party's banker. All bank documents will be presented through this bank only. Wherever, there is no branch of this bank, its authorised arrangements (banks and branches) decided by the company will be the final.

- ii) If the wholesaler makes the payment of any bill after the due date, interest @ 22.5% p.a. or the rate prescribed by the Bank of Rajasthan Ltd, will be charged by the bank against the expiry of the stipulated period. This rate of interest has been increased from 22% to 22.5% in comparison to last year's rate of interest.
- iii) Bank charges on DA/DP bills are Rs.0.25 per Rs.100/- and will be charged in the bill itself. This shall change whenever banker revises it.
- iv) Bank interest and 'hundi', postal and insurance charges will be debited against the buyers account and charged in the bill itself.
- v) All other expenses debited by the bank on account of return of document will be debited against the wholesaler's account.

2.1.5 Cash Discount :-

- i) Cash discount @ 3% will be allowed on DP documents. This will be known as 'DP DISCOUNT' allowed on the net cloth value of the bill (e.g. selling price less discounts before adding duties and other charges).

Cash discount of 5% for the payment (1% in the previous year) made in advance will be admissible only if the payment by DDs are made and payable at Bhilwara. This will be known as "Bank Charges Rebate". The DDs

shall have to be deposited in the Bhilwara office before the despatches of goods made. The company shall take the liability of despatching the goods within one week from the date of receipt of the demand draft. In case of failure, it will pay an interest @ 18% p.a. in all after one week of grace period till the date of despatch.

- ii) Cash discounts allowed on DP :- Documents will be reversed in case Documents are returned unpaid and rebilled subsequently. However, cash discount can be given if the wholesaler pays the interest and bank returning charges upto date.

2.1.6 Turnover Incentive :-

- i) The annual turnover incentive on the sale of SSL products will be as under :

<u>Turnover on Net Cloth value</u> <u>(Rs. in lakh)</u>	<u>Incentive</u> <u>(Percentage)</u>
upto - 7.49	Nil
7.5 - 9.99	0.50
10.0 - 14.99	1.00
15.0 - 19.99	1.50
20.0 - 22.49	2.00
22.5 - 24.99	2.25
25.0 - 27.49	2.50
27.5 - 29.99	2.75
30.0 - 34.99	3.00
35.0 - 39.99	3.50
Above 40 lakh	4.00

The above mentioned turnover incentives have charged considerably as compared to sales policy of 1981. This can be judged with the help of under mentioned annual turnover incentives of 1981.

<u>Turnover (Rs. in lakh)</u>	<u>Incentive (Percentage)</u>
0-4.99	Nil
5-9.99	1.0
10-14.99	1.5
15-19.99	2.5
20-24.99	3.0
25-29.99	3.5
30-34.99	4.0
Above 35	4.5

In comparison to, it is found that company has decreased its rate of turnover incentive.

ii) A dealer who has been given delivery discount, another discount known as ADD @ 3%, shall be given on all following qualities :-

- a) Fibre dyed suitings and shirtings
- b) Piece dyed suitings/shirtings on selective basis, specified from time to time.

This ADD shall not be applicable on T/Ls, S/Ps, Fents, Bags etc.

iii) Quarterly, bank discount will be given in separate qualities as under as per classification given below:

<u>Piece dyed suitings & shirtings (Quantity)</u>	<u>Fibre dyed suitings & shirtings (Quantity)</u>	<u>Bulk buying Discount</u>
41 cases or more	31 cases or more	1.0%
51 cases or more	41 cases or more	1.5%
61 cases or more	51 cases or more	2.0%

The bulk buying discount will be purely on quarterly basis after the retirement of documents. The special policy of 'carry forwarding' has been introduced in case the minimum upliftment of cases per annum will be as under :

Total upliftment in a year :

<u>Piece dyed suiting and shirting</u>	<u>- Fibre dyed suiting and shirting</u>	<u>Bulk buying discount</u>
151 cases or more	151 cases or more	1.0%
251 cases or more	201 cases or more	1.5%
351 cases or more	251 cases or more	2.0%

In case any dealer crosses the total turnover of Rs.20 lakh net in a year, and deals 'exclusively' in 'Bhilwara Fabrics' at a separate premises, such dealer will be given an additional incentive of 0.5%. They should inform in writing to the mill as soon as the party starts dealing exclusively in 'Bhilwara Fabrics' and get the same confirmed by the mill. The management's decision will be the final and no appeal in this case will be entertained.

Additional 0.5% will be given to all the dealers who have not returned the documents - 'Whatever the reason may be during the year'. This will be known as 'Good Payment Reward'.

2.1.7 Incentive Conditions :

- i) Purchase of T/L No.2, Fents, Rags and chindies shall not be included in the above slabs/turnovers.
- ii) No incentive will be paid against any adjustment of claims, ~~and~~ Rabate and returned goods.
- iii) To discourage returns of documents, it has been decided that the amount of returned 'hundies' will not be included in the sales for the purpose of turnover incentives slab. However, the incentive will be given on the amount of such returned 'hundies' on the afore-said slab if the payment is made within 30 days of return of 'hundies' by demand drafts.

2.1.8 Return of Goods :

- i) If there is any defect in the fabrics or any major diviation from the contract, the dealer should write to the company's plant at Bhilwara, within 90 days of consignment of the goods from Shilwara. No claim shall be entertained after 90 days from the date of despatch. After inspection, which will be within 15 days of receipt of the written complaint, as if such defects/or deviations are found to be of serious nature, necessary decisions will be communicated within 30 ~~days~~ of the date of inspection by company's representative.

ii) In case party returns the goods even after the company's confirmation in unassortment and not as per the packing-slip despatched to them. ~~In that case, the company will give credit after deducting 10% on account of unassortment~~ goods received.

iii) Goods must be rebooked through the company's authorised carriers within 7 days of company's decision to accept the returned goods and an intimation shall be given to the company by cable, failing which company will not accept such returned goods.

2.19 Claims : Claims arising out of seriously defective goods should be lodged strictly in accordance with the procedures laid down in 'Return of Goods'.

2.1.10 Account Reconciliation :

i) The wholesaler should send a statement to the Mill's account department with the details of payments made at their incentives due by 31st October 1982. ~~This will help reconcile the accounts as well as making prompt payment of incentives.~~

ii) The company will send quarterly accounts to the wholesalers which will be confirmed by them through letters, immediately on receipt of the same. If such confirmation is not received within 20 days of the date of despatch of quarter account by the company, statement shall be treated as correct and final and it will be irrevocable.

- iii) No amount due to a party on account of incentive, claim for damages or on any account whatsoever, shall be adjusted against the outstanding on the party's account. Instead, the party shall pay its dues in full, while the company, on its part shall pay its dues to the party.
- iv) No bills will be redrawn.

2.1.11 Supplies :-

- i) The company is having quarterly booking system. The outstanding contracts in any of the quarter unless extended and confirmed by the company will stand automatically cancelled. However, the grace period of 15 days will be allowed at the end of each quarter to execute the outstanding contracts. After this extended time of 15 days, the contracts will be treated as cancelled.
- ii) Any increase in the rates in between the quarters for which booking is already obtained, shall not be applied to the already - contracted quantities for that quarter. But any decrease in the rates shall be applicable with immediate effect and rates difference for the same shall be given to when all the despatches are made, firstly 21 days period to decrease in rates and secondly despatches made in rest of that quarter.

- iii) Every effort will be made to supply goods as per the despatch schedule and shade assortment given by the wholesaler and agreed to by the company. Any change in such schedules due to reasons beyond control will be notified to.
- iv) In ordinary course, the contract will be either signed by the agent or the party. In case of verbal talks with the parties, the contract should have to be signed. No goods shall be despatched without dealer's confirmation in writing. There will be no advance booking' of Fents, Rags, Chindies etc.

2.1.12 Packing :

- i) The wholesalers are advised to check the tare weight, net weight and packing of the case while taking delivery from the transporters.
- ii) In each case, the iron hooks and clips are being used. These clips bear 'Bhilwara' trade marked embossed on the same.
- iii) In case of any broken case being found, open delivery should be taken. If there is any shortage noticed, necessary certificate to that effect must be obtained from the transporters and sent to the mill.

In case damages or shortages are noticed after the case is opened then the dealer should immediately get the goods surveyed by an insurance surveyor of Insurance Co. with which mill is insured. It is to be noted that no claim will be entertained simply on a 'Panchnama'.

- iv) In all the 'than' there is 'Bhilwara' stampings at both the ends. If stampings is not there, it should be immediately brought to the notice of the company, through wire. such 'thans' shall not be sold out by the dealer till he gets reply of his telegram.
- v) The goods are consigned through standard transport companies approved by banker having branch at Bhilwara.

2.1.13 Performance and Reward :

- i) 286 Litres capacity Refrigerator will be given to the agent whose performance will be the best in the country.
- ii) One 286 Litres capacity Refrigerator will be given to the dealer whose performance will be the best in the country.
- iii) One 165 Litres capacity Refrigerator will be given to agent whose performance will be second best in the country.
- iv) One 165 Litres capacity Refrigerator will be given to the dealer whose performance will be the second best in country.

For all the above rewards, decision of the ~~company~~ will be the final looking into party and the agent's overall performance, and no appeal in these cases will be entertained.

2.2 A FEW SUGGESTIVE COMMENTS ON SALES POLICY OF BSL :

1. After delivery discount may be made discriminatory for DA (2%) and DP (3%) bills and also for those dealers who have not returned any goods in the quarter (3%).

2. Amounts due to a party at the end of a quarter year or a year may be adjusted against the outstandings on the party's account.
3. Quarterly booking incentive (1%) on F/d suiting may be introduced.
4. An incentive for increase of purchase over previous year's purchase may be introduced.
5. Performance reward should be discriminatory for agent and wholesaler not equal. The reward for wholesaler should be atleast of double the value of the agent who is not the real risk taker and toiler.

2.3

INDIAN TEXTILES AND BSL :-

3 - why here 2

Next to food, clothing is considered the most essential item for modern living. ~~And the history~~ of cloth is as old as the history of civilization itself. In fact the evolution of cloth is a measuring-rod of civilisation. When man shed the leaves, peel the barks and unskin the animals and started wearing woven cloth made out of spun yarn, it marked the greatest revolution in human civilisation.

The existence of the most developed and artistic form of clothing cotton, silk and woollen - from the very ancient times, denotes the antiquity of Indian civilisation. In fact, the finest sophistication and artistry of the product of our

ancient weavers of the Dacca 'mulmul', the Kashmere pashmina and the Kancheepuram silk have still no rival in the world.

The British colonisers first tried to snuffle our traditional handlooms to protect their Lancashire's loom products. Then the Japanese tried to flood the Indian market with their cheap produce. But the Indian textile industry survived these onslaughts. Even before Independence, it made a name for itself in the world market.

To day, Indian textiles are known all over the world. No other country produces such a variety of cloth from the most colourful for the garments of the Africans to the most sober suitings of the British, from casuals for the hippies to the cassocks for the bishops. Side by side with the primitive hand-spun 'Khadi', we have the computer controlled produce of nylon. The survival and prospering of Indian handlooms in this modern age is nothing but a miracle accomplished by native artistry and intricate craftsmanship.

Indian textiles have made a good progress and earned a reputation for quality and design in domestic as well as International markets. This is the result of good performance and steady development and success of all Indian Textile Mill not of one. Among the leading Indian Textile Mills, like Arvind Mill Ltd, Bombay Dyeing, Century Spinning and Manufacturing Co.

Ltd, Delhi Cloth Mills, Gwalior Rayon, Hindoostan Spg & Wvg Ltd, Jagatjit Cotton Textiles, Maneklal Harilal Spg and Wvg Mills, Lafatlal Fine, Mihir Textiles Ltd, Morarjee Gowldas, OCU, Raymond Jollen Mills, Reliance Textile Mills, Standard Mills, National Textiles Corporation, Binny Ltd, Mettur Beardsell Ltd, etc. Bhilwara Synthetic Ltd has its own place. Not being a very old company, Bhilwara Synthetic Ltd settled slowly like dust in water in the first of a few years of her establishment. Only after that, company made a steady progress. At present, Bhilwara Synthetic Ltd is a well established and a flourishing mill in the industry.

C H A P T E R - I I I

ABOUT THE BHILWARA SYNTHETIC LTD

Bhilwara Synthetic Ltd is located at Bhilwara district in Rajasthan. Bhilwara is situated at Jaipur-Udaipur highway. Position wise it is in the mid way from Ajmer to Udaipur. This city is also connected with railway, though, by meter gauge track. Being a district city, Bhilwara possesses all the infrastructural facilities i.e., postal, communication, transportation etc.

3.1 MANAGEMENT :

The company has employed qualified and experienced persons to look after its activities. The organisational chart of the company is as under.

From the chart shown below, it is clear that the company is being controlled in a proper manner. The staff looks after the day to day business of the company, as well as maintaining of records and preparing informations and reports for the board's meeting. The staff is very cooperative and doing the

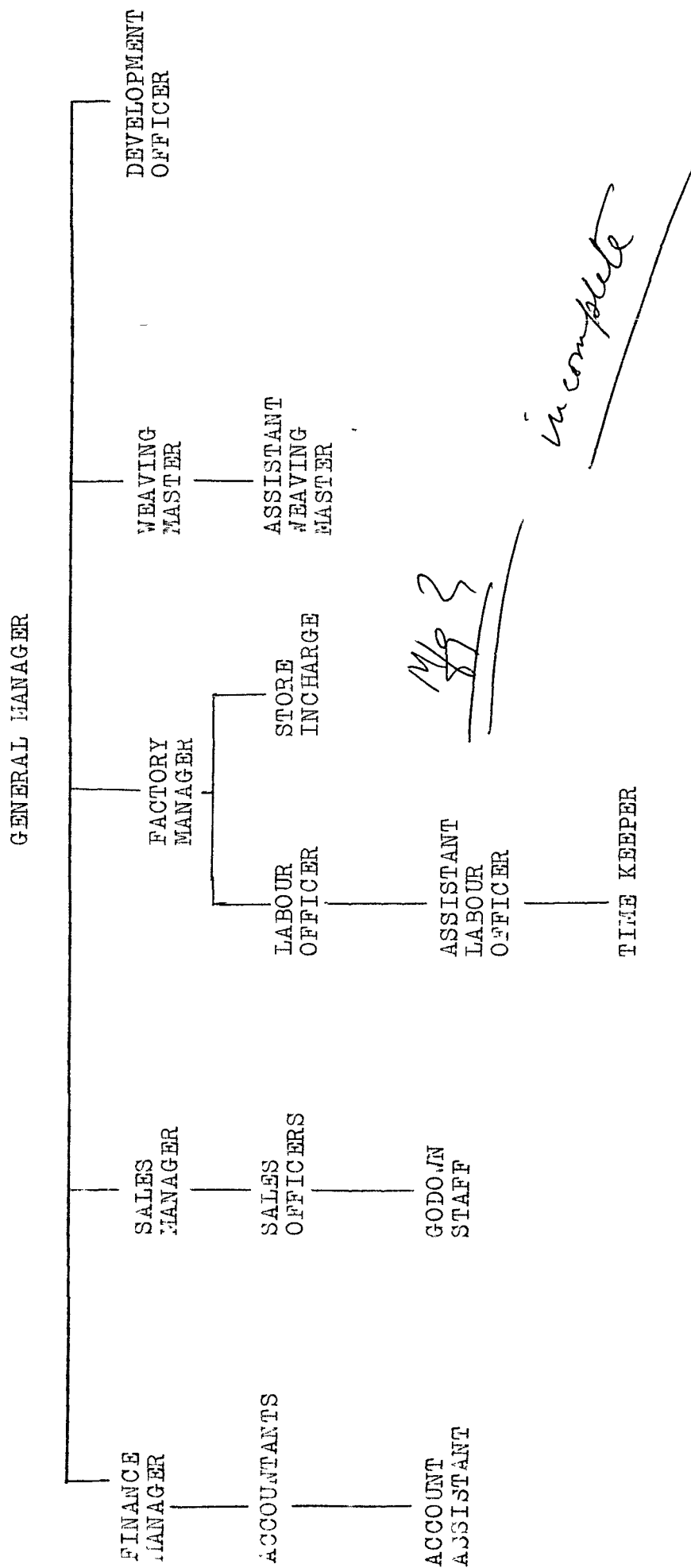
work with efficiency and in time.

Beside the above staff, the company is having skilled labour force in its plant, which run the 48 looms of the company on maximum capacity and the percentage of efficiency is very high as compared to the other similar units. The company pays full attention for the good of its labour force and always solves their problems without making delaying tactics. The company is paying a handsome amount of money as wages to its labourers as compared to the other units located in Bombay. Apart from the facility of Provident Fund, Employees State Insurance, the company provides other welfare amenities like recreational, medical, educational etc. At present, the company has employed a total of 175 labourers, the detail is as under :

	<u>NO. OF WORKERS</u>	<u>PERMANENT</u>	<u>TEMPORARY OR CASUAL</u>
Skilled	165	165	-
Unskilled	10	-	10

The company always maintains cordial relations with its employees and pays particular attention to their training and skill development.

ORGANISATIONAL CHART OF THE BHILWARA SYNTHETIC LIMITED



3.2 INFRASTRUCTURE AND TECHNOLOGY :

The company owns enough land according to its need. Following is the detail of company's land :

- (A) Leasehold : 3 'Bigha' and 8 'Biswa'
 (B) Freehold : 10 'Biswa'.

On the above stated land, the company has constructed its factory and administrative building. The cost incurred for these constructions are as follows :-

	<u>Cost</u>
Factory building and Godown	8,23,789
Administrative Block	1,44,000
Total Rs.	<u>9,67,789</u>

Supplies of power and water are very vital for the production. During the last year, there was acute shortage of power which also affected water supply and, as such, production suffered, specially, from January to March 1982. The company increased its production from July '81 and onward to achieve target of sales of Rs.6 crores in the year 1982-83 and to meet the increased demand of fabric. For this purpose company has acquired diesel generators as an alternative for.

Since, the Bhilwara Synthetic Ltd was established just a decade ago, company owns all sort of modern and sophisticated machines consists of indigenous and imported. With the indigenous

production of combers, practically, all the modern machines required for spinning and its preparatory are available locally.

Modern and sophisticated machines are required for weaving and its preparatory. Most of the machines, manufactured in the country, are non-automatic, like warp winding machines, high speed warping machines (without essential features of tension control, instant breaking and uniform winding), multi-cylinder sizing machines, four sizing machines four spindle winder and plain looms and automatic looms. Now, recently, indigenously produced above mentioned machines have been introduced in the market. Bhilwara Synthetic Ltd uses most of them and some machines have been imported.

Bhilwara Processing Ltd which also belongs to the company owns all the modern and automatic machines which come in use during the processing of fabric. It is under planning of the company to replace all the non automatic machines with fully automatic machines.

3.3 SECURITY ARRANGEMENTS :

The company has full arrangements regarding the security of its fixed and current assets. These arrangements are as follows :

- (a) Company has got insurance policies for the building, plant & mechnery, inventory at all levels etc. The consignment of

the goods is generally got insured prior to its being consigned.

- (b) At the plant, the company has arranged for 69 fire-fighting equipments placed at proper places to face any eventuality.
- (c) The company has employed a security officer, watchmen and guards who remain on duty round the clock.

3.4 SOURCES OF RAW MATERIAL :

The company requires synthetic yarn for its production of fabrics. The yarn is procured from the leading mills at Bhilwara, Khadigram-Bombay, Delhi, Nagda, Jaipur, Kishangarh and Banswara. The company purchases yarn as per its requirements. Previously, the company was procuring 75 tonnes per month and was in need of 20 tonnes of yarn valued at Rs.18 Lakh per month. To achieve a target of one lakh meter per month, the requirement of yarn increased to 27 tonnes. The company needs mainly following quality of yarn for its fabric:

A	2/40	PV	48 : 52
B	2/30	PV	48 : 52
C	2/40	PV	15 : 85
D	100%	Texturised	yarn
E	fancy yarn		

The purchase price of yarn varies in between Rs.60 to Rs 120 per kg. and for texturised yarn Rs 200 per kg.

3.5 COSTING :

Before embarking upon a new quality, cost sheet is prepared as per fixed proforma. In costing, the company has fixed certain norms of wastage, selling expenses and then decided the sales price of the fabrics. Cost of raw material is taken into account at purchase rate. A particular quality is taken into production only after making a cost-sheet. Some times, losses since cost becomes higher than that of the prevailing market price. Even then, the company manufactures it and sells the quality in market with a view remaining in the competition. Being an unit of textile industry, income distribution in BSL is, more or less, akin to one shown in annexure 1.

3.6 AUDITING & INTERNAL CONTROL SYSTEM :

The accounts of all the transactions are audited by an independent auditor. Internal audit is done by the staff of the company itself. Purchases of stores and raw materials is fully controlled except the authorised person. Every purchase for store items and raw material is done on contract basis after seeing the trend of the market.

The company prepares various reports for the management, which are as follows :-

<u>R E P O R T</u>	<u>P E R I O D</u>
I - Outstanding Positions	Every 10 days
II - Daily sales collection & Return	Every day.
III - Production Report	Every day
IV - Profit & Loss Account, Balance-sheet and their comparison with budget	Every month

For various stocks, the company maintains the following records:-

- (a) Yarn stock ledger
- (b) Grey fabric stock ledger
- (c) Finished stock ledger
- (d) Records for stock-in-process.

Valuation is done after taking physical stock every month. Stock is valued at cost except that of the finished fabrics. The finished fabric is valued at selling price.

The company has to pay excise duty on its finished goods through BPL. The excise duty is paid, to The State Bank of Bikaner & Jaipur, in advance.

3.7 RESEARCH AND DEVELOPMENT (R & D) :

Research and development programme, in this company, can be classified at various stages which are as follows :-

- i - Weaving Stage : Grey fabric is produced only after preparation of samples. The design and samples are based on current study of market survey and intermittent change in fashion.
- ii - Processing Stage : The finishing of BPL is considered to be very good because BPL has an ultra-modern plant and machinery, at the same time, it is also well-equipped with quality control department where each and every piece of fabric is first tested on the basis of standard before taking it in for dyeing and finishing. Besides the above, the company also sends its staff to attend various seminars and conferences of fabric development. For producing quality products, each and every piece of fabric is mended and clipped at the weaving and processing stage.
- iii - Utilization of Wastage : The wastage comes out at weaving stage at the rate of 2% and at processing stage it is at the rate of 0.5%. The wastage of yarn is fully utilized by the company for making the fabric of mixed lots which is sold at lower rates than that before. Thus, this yarn wastage is fully utilized.

C H A P T E R - I V

FIXATION OF SALES TARGET

Every company sets its sales target at the beginning of every financial year. This sales target may be in amount of rupees or in quantity i.e. in meters. Bhilwara Synthetic Ltd also fixes its sales target. For the financial year 1.10.82 to 31.9.83, Bhilwara Synthetic Ltd has fixed its sales target of Rs 6 crore.

There are a number of factors taken into consideration for fixing of the sales target. Following are the factors considered by BSL at the time of setting its sales target.

4.1 WORKING POSITION AND OPERATING RESULTS FROM 1970-71 AND ONWARDS :

The company was doing business of purchasing and sale of cotton and was also manufacturing Grey Fabric. On account of heavy losses in cotton trading activities, the company has stopped cotton trading business w.e.f. 10.10.1972. There was a total loss upto 1971-72 of Rs 2,49,000/-. After starting marketing of finished fabric in the brand name of "Bhilwara

Ter-ene Suiting'. Since 1.10.1972 the position of the company improved. In 1972-73, the company earned a net profit of Rs 2.59 lakh and after second setting of the carried forward, losses of earlier years of Rs 2.49 lakh the net profit has been carried forward in the reserve and surplus of Rs 10,000/-.

In the year 1973-74, the company earned a net profit of Rs 17,000/-. This year was not favourable to the company because of poor sales of fabric. The company made a profit of Rs. one lakh in 1974-75 and the fabric sale done by the company was of one crore of rupees, previously, the sale of the company remained below Rs one crore.

The year 1975-76 was favourable to the company as the company earned net profit of Rs. 30.06 lakh and the turnover increased from Rs one cror to Rs 1.65 crore. The company introduced for the first time 'Teriwool blended fabric' in the year 1976-77. The company earned a net profit of Rs 32,000/-. This is because of the poor demand for in the market. The turnover had increased by Rs 22 lakh only i.e. from Rs 1.65 crore to Rs 1.87 crore. The year 1977-78 was the most unfavourable year for the company. During the year company suffered a total loss of Rs 5.66 lakh. The turnover of the company increased from Rs 1.87 to 2.38 crore but, in spite of this, the company has suffered loss. The main reasons of this loss were as under.

- i - Big slump in the textile industry.
- ii - Terewool fabric could not be supplied by the BPL in time.
Hence, it was sold out as off-season supply by offering heavy discount which resulted in huge losses.
- iii- Heavy rebates and claims were also offered to maintain the sales of the company to survive for the time being, during slump; period. In the year 1978-79, the company made a turnover of Rs 3.12 crore against sales of Rs 2.38 crore of previous year and earned a net profit of Rs 11 lakh.

In the year 1979-80 also, the company could not do well due to unfavourable trends of supply of factors of production. Even then, the company earned a net profit of Rs 12.3 lakh.

Throughout the year 1980-81, the conditions remained unfavourable on account of the following reasons.

- i - There was a big slump of the decade in textile industry, even the manufacturers of raw material could not do well.
- ii - There was a load-shedding mostly throughout the year and, as such, the production and sales suffered.
- iii- On account of drought conditions, sales could not be increased to the anticipations made because of heavy rise in the prices of other essential commodities. The sales throughout the year remained very poor and the company sold its production after giving heavy claims and discounts

just to stand in the market. Even big manufacturers of fabric, like Gwalior and Jiaji, have sold fabric on lot basis at reduced rate.

iv - Throughout the year, the process house could not run well }
 because of break down in plant and mechinery, labour unrest,
 , p. 27 load shedding, non availability of colours and chemicals
 during the course of time of production. Therefore, they
 could not give the finished fabric in time and, as such,
 whenever there was a time to sell, the company could not
 sell. The company also had to cancel many contracts
 because of non-availability of fabric in time from process
 house. In spite of all these setbacks and bad conditions
 of the market, the company maintained its sale to three
 crore of rupees.

In year 1981-82, the company sold Terrene Blended Fabric worth Rs 136.35 millions and Terrene yarn of Rs 2.312 millions. While sale of 80-81 of Terrene Blended Fabric was of Rs 81.12 millions. In this way, the company earned Rs 2.45 millions as profit after being taxed.

4.2 SALES IN PREVIOUS YEARS :

The company sells 1,75,000 meters of suiting and shirting every month. The company always manufactures fabrics only after doing the study of market trends, suggestions from sales

staff and dealers. Therefore, company's product is always acceptable in market. Company's sales has an increasing trend since from starting. This is clear from the following facts and figures of company's sales.

Y E A R	S A L E S	
	METERS	AMOUNT
1971	1,10,000	43,00,000
1976	4,60,000	2,15,00,000
1980	8,00,000	3,00,00,000
1981	24,00,000	8,41,00,000
1982	33,80,000	13,90,00,000

4.3 PERFORMANCE OF DEALERS :

For fixing sales target, past performance of individual dealer and agent is also taken into account. At the same time, expected increase in sales with due consideration of agent's ability and market potentials, also taken into account. In case the company is going to introduce a new range such as Terewool of low price or plain fabric which may be sold at mass level, anticipated sales of such range is also taken into consideration. Changes in production capacity of the company also have bearing over fixation of sales target.

4.4 FACTORS AFFECTING SALES OF A QUALITY OF SYNTHETIC FABRIC :

There are a number of factors which have their influence over the sales of a quality of synthetic fabric. Those factors can still be classified into two broad classes. They are;

- i) Technical Factors
- ii) Commercial Factors.

i) Technical Factors : Technical Factors are those factors which are fully under control of the company. Some technical factors are as follows:-

Designs

Weave

Piece Dyeing or Dyed Yarn

Feel - yarn content

Width of the quality

Processing i.e. finish of the quality

Size and type of selvedge

Weight and weight variation

Type of loom used

Drape, fall,

Crease resistance

Simplicity of used maintenance, wash and wear qualities.

ii) Commercial Factors : Commercial factors are those factors which are not necessarily under full control of the company. In other words happenings, out side the company, have

bearing on these factors. Following factors come under this class :-

Price

Season

Location of market

Quantum of distribution in a particular market

Inter-territory sales

Price discrimination

Colours assortment

Use of the quality i.e. 'Safari' suit or pant or coat only

Publicity of brand name

Inbuilt incentives.

4.5 IMAGE OF BSL IN THE TEXTILE INDUSTRY :

Textile industry is one of the leading contributors to the Indian economy. Bhilwara Synthetic Ltd.(BSL) maintains a good image in textile industry. The company earned this good image by maintaining very fair ~~and decent image in her dealers and consumers.~~ In fact, it has been a very essential criterion for company's business, that the company's image should not spoil in any circumstances. Following factors can be attributed to good image of BSL in textile industry.

i) There is no price discrimination amongst company's dealers and agents. Company treats all in same way.

ii) The company extends maximum cooperation to dealers regarding their unsold goods. Company encourages them by prompt and expeditious remittances of their post delivery incentive and discount.

iii) The company attaches similar treatment to all pertaining the enforcement of sales policy towards all dealers.

iv) In case of any defect found in the quality of the goods supplied, the customers have been overtly allowed by the company to return back even stitched clothes and take back the amount paid for alongwith the cost of stitching charged by the tailor with the receipt as a sign of proof or it is generally practiced, at this juncture, that a fixed amount of stitching for a particular brand is fixed by the company itself. Thus, the receipt as a proof makes no difference.

4.6 FUTURE PROGRAMME :

The company has set target for the year 1982-83 of sales of Rs six crore and the company expects a net profit of Rs 15 lakh after providing depreciation for. To achieve this target, the company has increased its production from 75,000 meters per month to 1,10,000 meters per month.

The company is also getting its fabrics woven from outside units on job basis. At present the production on job basis is about 25,000 meters per month. On this increased sales as per the trading cycle of the company, it needs a working capital to be borrowed from banks of Rs 1,75,000/-.

Since, the company is not a composite textile industry, hence, the norms of Tandon Committee Reports are not applicable to this company, especially, for the stock in-process and debtors. Since, the company manufactures only fabric, therefore, it depends upon yarn suppliers and processors.

Therefore, the company is not in a position to maintain the stock and debtors on the norms of Tandon Committee Reports.

The company used to hypothecate its stock of raw-materials, stock in process, grey fabric finished fabrics, stores and spare in bank's favour as security for working capital limits. In addition to this, security the company is also creating second charge on fixed assets in Bank's favour.

The margin has been kept at various levels as mentioned in these lines :

<u>RAW MATERIAL</u>	<u>PERCENTAGE OF MARGIN</u>
i - Yarn	30
ii - Stock in process	35
iii - Finished Fabrics	30
iv - Grey Fabrics	35

4.7 SALES PROMOTION SCHEME :

The company provides a number of incentives to the dealers such as Turnover incentive, incentives in the form of rewards and discount mentioned in the sales policy of the company.

Advertising on large scale is done by fixing hoardings, holding exhibitions and opening retail counters in small towns all over India. The company also announces retail gifts scheme from time to time to increase the sales. The gift is payable to the retailers only on the basis of sales made directly to the consumers.

In past, the company ~~has not~~ incurred much expenses on advertisement because of low sales. The production was also on low scale. Now, the company is expanding its advertising media by installation of hoardings in big cities, fitting glow sign boards, paper publicity in the leading papers, ~~by opening~~ retail counters in small towns.

Problems in Increasing Sales :

The synthetic fabric is a very competitive trade in textile industry. The company is the manufacturer of synthetic fabric and depends upon raw material suppliers and processors. Therefore, the company faces more competition in comparison to the other composite units.

The time and change in fashion are ~~also the main~~ factors which affect the sale of fabric i.e. for summer and winter, the company has to make a plan well in advance and if it gets delayed then the goods will not be of any use and will not be saleable in the market. It is ~~essential~~ to keep market in constant touch to see the fashion trends.

Impact of the increase of prices of other essential commodities or slumps in the market due to drought, flood or political reasons, affect the sale of fabric. Since, fabric [?] does not come in the list of necessities, a consumer will purchase the basic necessary items first then only he will think of purchasing fabrics. Similarly, drought, flood, political disturbances also reduce the purchasing capacity of the consumer of fabric.

The next problem which often hampers the sale of fabric is transportation. The company is selling its product through out the country. In south and east the major problem is that some time the documents are presented to the party but the goods does not reach destination in time or vice-versa delays in post brings about a decrease in the sales of the company.

Sometimes, drawee banks do not follow the instruction of the drawer which also results in return of documents. If documents are returned then the company bears the loss and

ultimately settlement is to be done with parties. The immediate settlement is very much necessary and if it is delayed then the party will demand many kinds of claims which are in addition to the loss of interest.

Some time, on account of the processing delays, goods cannot be consigned in time and ultimately the company sells the good on lot basis in which the company again suffers loss due to poor realization.

4.8 PRODUCTION PLANNING :

company fixes

First the/sales targets and accordingly places orders for the purchase of yarn. Grey yarn is available easily but for fibre-dyed-yarn the company has to place order well in advance because of requirement ~~and change~~ in market demand.

Generally, a supplier cannot supply fibre-dyed-yarn before 60 days from order, therefore, the company has to keep a stock of fibre-dyed-yarn for at least 60 days. For grey-yarn, this period is of 15 days. Thus, looking after the production planning and market trends, the purchase department makes arrangements for its purchases. Maintaining the inventory of yarn, the company and its ~~official remain~~ ^s in constant touch with the yarn stock and try to consume all type of yarn in time. Yarn from Bhilwara and Khadigram is purchased on 30 days' credit basis but

the fancy and texturised yarn are always available on cash basis. The main suppliers are :-

- i - Rajasthan Spinning and Weaving Mills, Bhilwara
- ii - Rajasthan Spinning and Weaving Mills, Khadigram
- iii - Rajasthan Spinning and Weaving Mills, Jaipur
- iv - Banswara Syntex Ltd , Banswara
- v - Realiance Textile Industries Ltd , Ahamedabad.

The company does not consume any imported raw materials which is its main characteristic. The company is having stores and spare parts inventory of Rs 2.5 lakh. The main items of stores are shuttles, belts and pickers.

The monthly consumption of stores and spare is Rs 35,000/-. The company keeps various items in stores well in stock because the spares of looms are not available easily in the local market.

The company also keeps inventory for certain items which can be used on specific types of looms only. For different looms, the company has to keep different types of spare in stock to run the looms smoothly. Order for purchasing the stores and spare are placed by the factory manager after having studied the market rates and calling quotations from different suppliers.

The company is manufacturing all types of synthetic suiting and shirting. The production planning is as follows :-

- (a) The whole production planning is based on market trend.
- (b) Before taking in production of any quality, designs are prepared in the form of grey samples.
- (c) Grey samples are manufactured by development department on two different looms.

The designers are well qualified and experienced persons who develop designs on the basis of market trend and dealers choice. After seeing the market trend and dealers requirement, the marketing staff and developing officers decide the production planning in consultations with General Manager in following way :-

- i - Preparation of sales target
- ii - Availability of yarn
- iii - Design for production
- iv - Approval of design
- v - Quality and quantity decisions
- vi - Grey fabrics production looms
- vii - Finished production at process house.

At weaving and processing stages, production cycle takes certain fixed time which is stated as under on the basis of experience.

	<u>PIECE DYED</u>	<u>FIBRE DYED</u>
Weaving Stage	15 days	15 days
Processing Stage	25 days	15 days

The above mentioned period for process house is a minimum period. The delivery of Fibre Dyed finished fabric is usually made in time but, for piece dyed fabric, the actual time is 30 days. Therefore, the period at processing stage for Piece Dyed quality is to be taken as 30 days. This is to make provisions for break-down in plant and machinery, labour trouble power cut, non availability of required colour and chemicals.

The process house which is in Mandpan i.e. (BPL) is 13 KM away from the factory due to certain locational factors favourable for BPL. The company sends grey fabric to process house by road which is fully insured. The company makes payment of processing charges on 30 days documents against acceptance basis.

The process house draws 'hundies' through bank to the company. The company has agreement for processing charges and the rates are subject to change with colour, chemicals and other raw material prices.

CHAPTER - V

PRICING POLICY

The economic theory, price, value and utility are inter-related terms. Any commodity that has the capacity to satisfy human wants is said to possess utility. The power of such utility or of the product possessing in it to command other goods in normal exchange is its value. Such value expressed in monetary term is the price of the product. Hence, a consumer pays a want satisfying price only. Since, the synthetic fabric is largely a fashion article, therefore, a viable pricing policy only will retain its market share.

The pricing policy is the basis of a company's success. All policies of the company revolve round profit maximisation through acceptable prices to consumers. The price is link between the consumer, company and employees. It is a gauge which reveals the company's efficient management of its manpower, skill, financial resources and raw-materials. A quality product accompanied by a reasonable price creates an image of the company. Before opening the prices of certain products, care is to be taken that they are well within the reach of the target customers.

In these pages, the methods adopted by synthetic fabric manufacturers for the fixation of prices have been discussed in detail. The synthetic fabric manufacturers base their prices primarily on the cost of production and also demand oriented pricing policies are followed. The Government also set up a Tariff Commission which submitted its report on 10.4.1970 and suggested certain methods of price fixation for the synthetic fabrics. But due to certain drawbacks it could not be enforced and the Ministry of Industry and Commerce was able to persuade the synthetic fabric manufacturers to make them enter into an agreement where by the prices for the fibre is usually agreed upon.

5.1 MEANING & OBJECTIVES OF PRICING :

Price is value expressed in terms of monetary medium existing in the country where the exchange occurs. In the present marketing era, it is not the exchange of the product only but something more. Hence, we say that price is the amount of money (plus possibly some goods) which is needed to be acquired in exchange for some combined assortment of a product and its accompanying services. Obviously, there is a large number of possible combinations of a finished or partially completed product and the various services which may accompany it.

The market price of a product is of great importance as it influences wages, rent, interest and the profit of a company, i.e. the price of a product influences the price paid for the factors of production viz Labour, Land, Capital and enterprise. In this way, price becomes a basic regulator of the entire economic system since it influences the allocation of these resources.

Pricing of a product is a major determinant of the market demand for the item. Price affects the firm's competitive position and its share of the market. As a result, price has a considerable bearing on the company's revenue and net profit.

Price of a product also affects the firms marketing programme as a pricing structure will determine whether the manufacturer or his retailers will be expected to finance the bulk of the promotional programme.

Consumers rely heavily on price as an indicator of a product's quality especially when they make purchase decisions with incomplete information. Studies have shown that consumer's perceptions of product quality vary directly with price. Thus, the higher the price, the better the quality is perceived to be. Consumers make this judgement particularly when no other clues as to product quality are available.

Pricing remains a very complex issue with almost all the firms. Pricing is a problem of four general situations :

- i - When a firm must set a price for the first time.
- ii - When circumstances lead a firm to consider for initiating a price change.
- iii - When competitor initiates a price change.
- iv - When the company produces several products that have inter-related demands/costs.

Hence, the problem is one of determining optimal price relationships for the products in line. The main goals of this optimal pricing may be classified as follows :-

- i - To achieve target return on investment or on net sales.
- ii - To stabilize prices
- iii - To maintain or improve a target share of the market.
- iv - Meet or prevent competition, and
- v - To maximize profit

5.2 PRICE POLICY :

For a developing ~~should be~~ country, like India, price policy should be concentrated on two main objectives :

- i - It must ensure that the movement of relative prices in accordance with the priorities and target ~~that~~ have been set in the plan, and

II - It must prevent any considerable rise in prices, of those qualities of synthetic fabrics that enter in to consumption of all types of income groups.

Both these aspects were stressed in all Five Year Plans and various measures were taken in the course of these plans to correct and moderate unde-sirable trends. In case of synthetic fabrics, a Tariff Commission was setup and also the manufactures ~~were aspect to enter into~~ voluntary agreements as regards to maintainence of prices of synthetic fabrics at a certain desirable level.

5.3 CONSTITUENTS OF PRICE POLICY :


A major constituent of price policy is fiscal and monetary discipline. Fiscal policy must be directed for mopping up the excess purchasing power which tends to push up demands above the available supplies. The quantum of taxation must, in other words, be adequate to keep down consumption to the limits provided for in the plan. The requirements of the public sector investment programme must be met with the transfer of real resources from the public rather than by creation of rash purchasing power. In other words, fiscal policy, in all its aspects, must aim at restraining consumption and mobilising savings more effectively. The price policy should be such a one which would secure an adequate return on investment made by the entrepreneur.

Commercial policy can be used to such an extent for overcoming domestic shortages, ~~since~~, the need for several years to come is to economise on imports of synthetic fabrics and to increase the synthetic fabrics exports, the pressure will continually be towards an increase in the domestic prices of synthetic fabrics. In fact, considering the need to enlarge foreign exchange earnings, surpluses from domestic production will have to be created even at the cost of raising domestic prices. In foreign exchange situation that the country is facing, if choice is between enlargement of foreign exchange earning and a rise in the prices to be paid by the domestic consumer, the former must have a decided preference.

In case of the range of product line is increased by producing luxury, varieties, it necessitate to provide an extra amount as investment. This extra invested money yields handsome profit which are not at the cost^{of} the customers from low income group people. The techniques of price regulation may vary from concern to concern, in some cases an increase in production may be the only way to secure reasonable levels of prices. In other cases, buffer stocks reorganisation of distribution arrangements and some other direct control may be inescapable.

5.4 METHODS OF SETTING PRICES FOR SYNTHETIC FABRIC :

Over the years many different methods have been adopted by individual companies to accomplish the task of fixing prices, of synthetic fabrics. The approaches to price setting must have the properties of logical consistency, optimisation and must represent the several simplification of the pricing problem as it confronted in practice.

The prices can be affixed by working with the concepts of marginal revenue and marginal cost. Marginal revenue is the change in TR that occurs with a single unit change in output. MC is the change in TC that occurs with single unit change in output. If the MR from a unit increase in output exceeds the MC, than the change should be made. Output should be increased until MC equals MR. However, every firm tries to put the price of the product at a level which will atleast bear the TC incurred on its manufacture. This price is one which is determined at BEP. 

Most of the manufacturers of synthetic fabric base their prices after evaluating the total costs incurred. Some of the manufacturers insist on demand based prices because of its being a fashion article.

5.4.1 COST BASED PRICE :- The method of cost plus approach means that the selling price for a unit of synthetic

fabric product is equal to the unit of total cost plus an amount to cover the anticipated profit on the unit i.e.

$$\text{Total Cost per unit} + \text{Desired profit per unit} = \text{Price per unit}$$

where total cost per unit = variable cost per unit + Fixed cost per unit.

Several types of costs incurred by the synthetic fabric manufacturers are also taken into consideration. Following are such costs:-

- i) Total Fixed Costs (TFC) : The TFC are the elements such as rent, executives salaries and property taxes which remain constant regardless of level of output. However, in the long run all the fixed costs tend to be variable.
- ii) Total Variable Cost (TVC) : Variable cost is that which changes in direct proportion to change in production volume. The VC tend to increase with each additional unit of output. The direct labour and material, cost per unit, however will remain the same. AVC is TVC divided by total number of unit produced. In some typical production operations, unit variable costs are relatively higher for the first few units of output than as the total output increases, the AVC is relatively higher for the first a few units of output.
- iii) Total Cost (TC) : Total Cost is total fixed cost plus

total variable cost. TC can also be described as TCC
plus VC x Total number of units produced

iv) Average Total Cost (ATC) : ATC is the TC + (total fixed cost divided by number of units produced)

v) Marginal Cost (MC) : MC is the cost incurred on producing and selling an additional unit. A firm will continue producing and selling as long as the sales revenue from this additional unit (called 'MC') exceeds the cost of the unit.

For cost based price management adds up all these costs and then adds a reasonable profit margin in these costs. Then, this is divided by the total number of units to be produced by the company and, consequently, they reach the price per unit. All these costs have well depicted in annexure-2.

Most of the companies try to find the break-even-point of some fixed output and then try to fix the prices above the BEP.

$$\text{Breakeven point} = \frac{\text{Total Fixed Costs}}{\text{Unit contribution to overhead.}}$$

Most of the companies treat the profit contribution as fixed costs and, hence, merge in it with the total cost figures point and then find the break-even/at a fixed output and then accord-

ingly fix up the prices per unit of synthetic fabric. The serious limitation of this method is that it disregards the fact that different types of costs do not alike as output increases or decreases.

5.4.2 DEMAND ORIENTED PRICING : Another method of price setting ^{is} in values balancing unit/, demand with unit costs in order to determine the best price for profit maximization. Since, in India, monopolistic or imperfect competition exists and, hence, is characterised by product differentiation and non-price competition. Being a characteristic in imperfect competition seller will attract some buyer at a high price but to broaden his market and to sell to more people, he must reduce the price.

In addition to various costs, concept of marginal and average revenue are also important for price setter. MR is the income derived from the sale of the additional unit while AR is the unit price at a given level of unit sales. ie. it is the AR divided by the number of units sold. The firm will continue to sell as long as the revenue it gets from the additional unit sold, exceeds the cost of producing this unit. This output continues as long as MR exceeds MC. At the point where they meet, output should cease.

5.5 PRICE SETTING IN BSL :

In BSL, both methods of price setting viz cost based and demand oriented, are taken into account for fixing the prices of various qualities of fabric. Profit maximisation is not the sole aim of the company. Goodwill and prices of rival companies also have bearing over the price of fabrics of BSL. Rajasthan tops in the list of demand of BSL's fabric. In south, specially, Kerala and Andhra-Pradesh, BSL captured a considerable segment of market in the last few years. In BSL, covering cost of production is the main and demand for fabric. in different region, is the second important factor for price fixing. This policy can be said to be an ideal one if it fulfill the expectations of all classes of the society by fixing price of fabric within their reach.

basis ?

C H A P T E R - V I

ADVERTISING AND PUBLICITY

Advertisement is a channel of Publicity through which we send the message of our product to the consumers and users. It is an important ingredient of promotional mix. Advertising consists of all activities involved in presenting to a group, non-personal, oral or visual, openly sponsored message regarding a product service or idea; this message; called advertisement is disseminated through one or more media and is paid for by the identified sponsor.

Advertising is a process, programme or a series of activities necessary to prepare the message and get it to the intended market while advertisement is simply the message itself.

6.1 OBJECTIVES OF ADVERTISING :

Basically, the purpose of advertising is to boost up company's sales and to reap up the profit thereof. The real goal of advertising is effective communication, i.e. the ultimate effect of advertising should be to modify the attitude/

behaviour of the receiver of the message by supplying reasons to prefer the particular company's product. The main objectives of the advertising are listed below :

- 6.1.1. Support personal - selling programme - Advertising may be used to open customer's doors for salesman and to acquaint the prospect with the seller's company.
- 6.1.2. To reach the people in-accessible to salesman. A salesman may be unable to reach top business executives and professional men or he may not be certain who makes the buying decisions in the company. The people who are inaccessible because of toporophical location, can also read out the journals or newspapers which carry the advertisement.
- 6.1.3. Improve dealer relations - The goal of an advertising campaign may be to attract new dealers by showing them how profitable it is to carry the manufactures line. The purpose of other advertisements may be to give the names and addresses of retailers who carry the product.
- 6.1.4. Increases the demand of the product - Entering into a new geographical market or attract a new group of customers.
- 6.1.5. Introduce a new product and develop brand image.
- 6.1.6. Increase sales of the product - An advertising campaign

may be designed to lengthen the season for the product, increase the frequency of replacement, increase the variety of product uses, or increase the units of purchase.

- 6.1.7. Expands Industry's Sales.
- 6.1.8. Counteract prejudice or substitution.
- 6.1.9. Build good will for the company and improve its reputation by rendering a public service through advertising or by telling of the organisation behind the product.
- 6.1.10. To reduce sales resistance.
- 6.1.11. To discover new distribution outlets and to equalise distribution in different territories.

6.2 MEDIA OF ADVERTISING IN SYNTHETIC FABRIC INDUSTRY :

Various manufacturing concerns of synthetic fabrics use various media for advertising their fabrics. The following are the media or channels used:-

- 6.2.1 Newspapers :- An advertising medium newspapers are flexible and timely. Most of the synthetic fabric manufacturing concerns use this method for advertising their products as they cover various cities and even several rural areas. Newspapers, such as, The Hindustan Times, The Times of India, Indian Express, Blitz etc. give an advertiser an intense coverage of a local market because almost everybody reads. Many newspapers offer promotional assistance

and they are excellent source of market information.

This medium offers an opportunity to use a fair quality of colour and circulation cost per prospect are low.

Newspapers are also helpful if the advertiser wishes to present his message to the market frequently. On the other hand, the life of a newspaper advertisement is very short.

6.2.2 Magazines : Magazines are also used by synthetic fabric manufacturing concerns as they can publish coloured photographs of their product. Magazines, such as Famina, Illustrated Weekly, 'Grah Shobha', 'Sarita' etc. are an excellent medium as high quality of printing and colour is carried by it. Magazines are also used to reach a national market at a relatively low cost per prospect.

Through the use of class magazines, an advertiser is able to reach a selective audience with a minimum of vast circulation. Magazines are usually, read in a leisurely fashion in contrast to the haste with which the print media are read. This is a particularly valuable point for the advertiser who must present his message at some length.

Some of the less favourable characteristics of magazines are their inflexibility and the infrequency with which they reach the market as compared with other media.

6.2.3 Displays : The synthetic fabric manufacturers display their colourful products in trade fairs, in busy markets, and in

fashionable centres. The advantages of this method is that the consumer sees the product in actual physical appearance. The consumer is able to judge the worth of the product and he is tempted to purchase it. The fabrics displayed in attractive colours, course and all varieties are displayed with their price tag attached, so that a consumer forms a relatively lasting impression in his mind about the product.

- 6.2.4 Distribution of gifts : This is more of a direct sales promotional technique. The gifts like ball pen, purse, key ring, polythene bags etc. are distributed among the customers. However, they distribute these among the persons already known to the concern. Hence, this method is not so effective.
- 6.2.5 Radio & T.V. : From the time 'Vividh Bharti' was introduced as commercial service of radio and its consequent relay-~~ing~~ing by various transmitting stations in various part of the country, some of the synthetic wear manufacturers have started getting their products advertised on radio service. Similar service has also been introduced by 'Doordarshan' (T.V. service) - Advertisements are telecast before and after the popular programmes of T.V. service. Since, radio cover more area than T.V., it is certainly a potent media of advertising.

6.3 ADVERTISING BUDGET :

It is the fixation of amount of money to be spent in advertising. This is a vital concern to the company and to the agency chosen to serve the company. To both, it serves to establish a limit to the advertising to be done during a given period. It provides the cloth from which the advertising campaign is to be cut, the size of this cloth considered carefully before the campaign is planned and started.

Following factors are significant in determining the size of the budget :-

- i - The procedure for arriving at the total number of rupees to be spent.
- ii - The role of advertising in the marketing plan, and
- iii - The items to be charged to advertising.

An ideal procedure used to determine the size of the budget ~~not~~ only arrive at the number of rupees to be spent. It also provide justification for the expenditure. Following are the procedure for arriving at such an ideal size of advertising expenditure.

- i) Percentage of past sales.
- ii) Percentage of anticipated future sales.
- iii) Percentage of combination of past & anticipated future sales
- iv) Objective and task method i.e. size of advertising expenditure fixed according to objectives of company.

6.4 ADVERTISING POLICY OF BSL :

BSL uses a number of media for its advertising of fabric produced by the company, such media are Hoarding, Glow sign-board, Tin boards at stations etc., Film slides, Newspapers, Magazines (Specimen given in annexure 3), T.V., Radio and painting advertisement on buses, particularly in Delhi.

A well reputed and professional advertising agency i.e. National Publicity Service, Connought Place, New Delhi, has been chosen by the company for this purpose. There is no practically fixed criterion for fixing advertising budget. It is fixed in consultation with General Manager, Sales Manager, Sales Officers, Agents, Dealers etc. This remains flexible and changes can be made after timely evaluation of advertising effectiveness. Gift items and advertising allowances are given to dealers by the company.

CHAPTER - VII

PRODUCTION SYSTEM

Raw-material i.e. synthetic fibre goes a long way for being a finished fabric. This synthetic fibre is processed at many stages. These stages are shown in a proper sequence in Process Flow Chart - Annexure-4.

Bhilwara Synthetic Limited gives its utmost attention at every stage of production of synthetic fabric. For giving effective look, special importance is attached to finishing. Production system in BSL can be classified in the following four broad categories :-

7.1 WEAVING :

Under this stage, synthetic fibre is weaved and a look of fabric (unfinished) is given. Various process at this stage are well-depicted in annexure-5.

7.2 PRINTING :

A coloured design or pattern in cloth may be obtained by weaving coloured cloth or by printing which is more economical,

faster and versatile. The methods which are numerous of printing are block printing, screen printing, spray printing stencil printing and roller printing. Of these, most common commercial processes are roller printing. However, with the roller printing, it is important that there should be long run of fabric to be printed with the same pattern, otherwise, the returns will not be sufficient to pay for the preparation of printing rollers and the setting up of the machine. It is quite expensive to engrave the rollers and the rollers themselves being of copper are expensive even without the added cost of engraving. For short run, screen printing would be a more economical method.

7.3 FINISHING :

In various processes of bleaching, dyeing and printing, fabric becomes distorted. They are unacceptable and unattractive to the consumers. They lack resistance for creasing, shrinkage, high lustre etc. In finishing, all these drawbacks are removed and the fabric becomes in a state ready for packaging for consignment to dealers.

Finishing operations comprise with two main operations :

- i - Standard finishing operations, and
- ii - Special finishing operations.

In the first operation namely, the 'standard finishing'; it has to be passed through 6 different stages which are as follows :

7.3.1 Drying : The fabric is brought to this section is wet. Drying forms a part of the finishing process. Sometimes drying may be carried out at the same time as the fabric is straightened and brought to its desired finished width and length.

7.3.2 Scrutinizing : Cloth is generally bleached in rope form and needs to be stretched to full width for subsequent processes. It is done by a machine called 'scutcher'.

7.3.3 Stretching : Cloth is required to be brought to the required dimensions of width and length. To bring the cloth to the right width, it is stretched through a machine called stenter. Hot air stenter is a versatile machine which combines the function of starch mangle, drying machine, clip stretcher, weft straightener and selvedge dryer, all in one.

7.3.4 Mangle : It is used for starching, back filling etc. various types of mangles such as water mangle, and back filling mangles are employed by the mill.

7.3.5 Damping : Cloth is damped by the brush dampers or the spraying dampers evenly and finely at various stages of the process.

7.3.6 Calendering : This process imparts lustre by means of

heated rollers running on each other with the cloth between them. The machines are made in all sizes and for many different purposes. Thus friction calenders are used to secure high degree of glaze where as the schreiner calender imparts high lustre.

SPECIAL FINISHING OPERATIONS : A number of special finishes have, in recent years, been used which usually call for special equipment, chemicals and are based on new techniques for modifying fibre properties. It is beyond the scope of present work to deal with them.

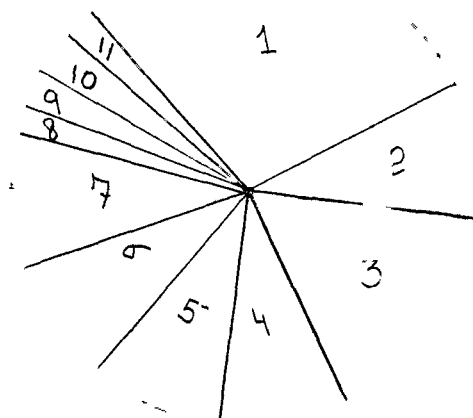
For detailed informations, pertaining to the finishing process, annexure-6 be skipped to.

7.4 FOLDING, PACKING AND BALING :

The finished cloth is sent to folding department where it is thoroughly inspected. Cloth is then folded, stamped with specifications, brand name, trade-mark etc. Finally, the cloth is packed in bales or cases which are ready for being consigned.

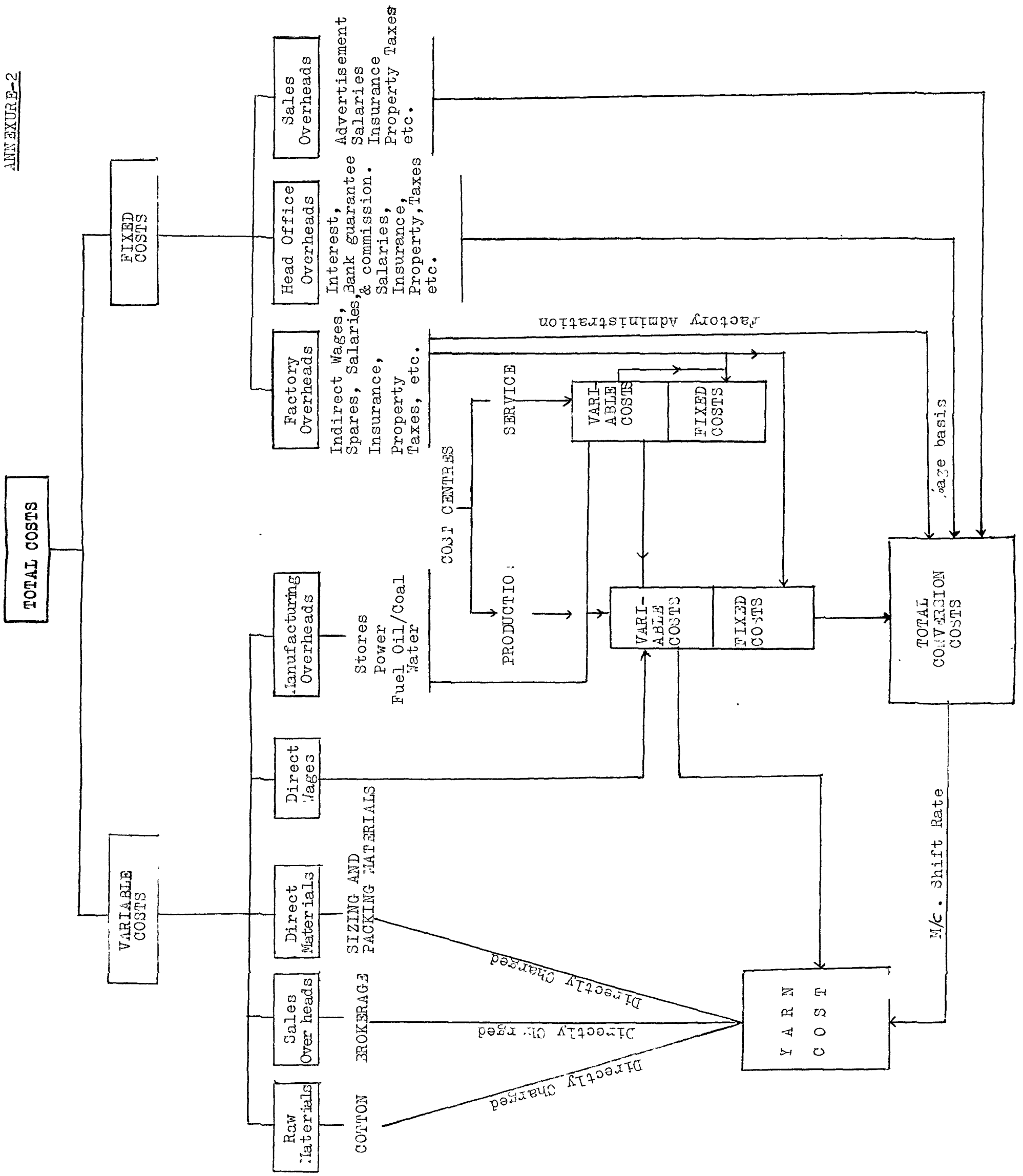
The foregoing sections have dealt with each individual process of textile manufacturing. A thorough information can be ascertained, in regards to folding, packing and baling, by going through annexure-7.

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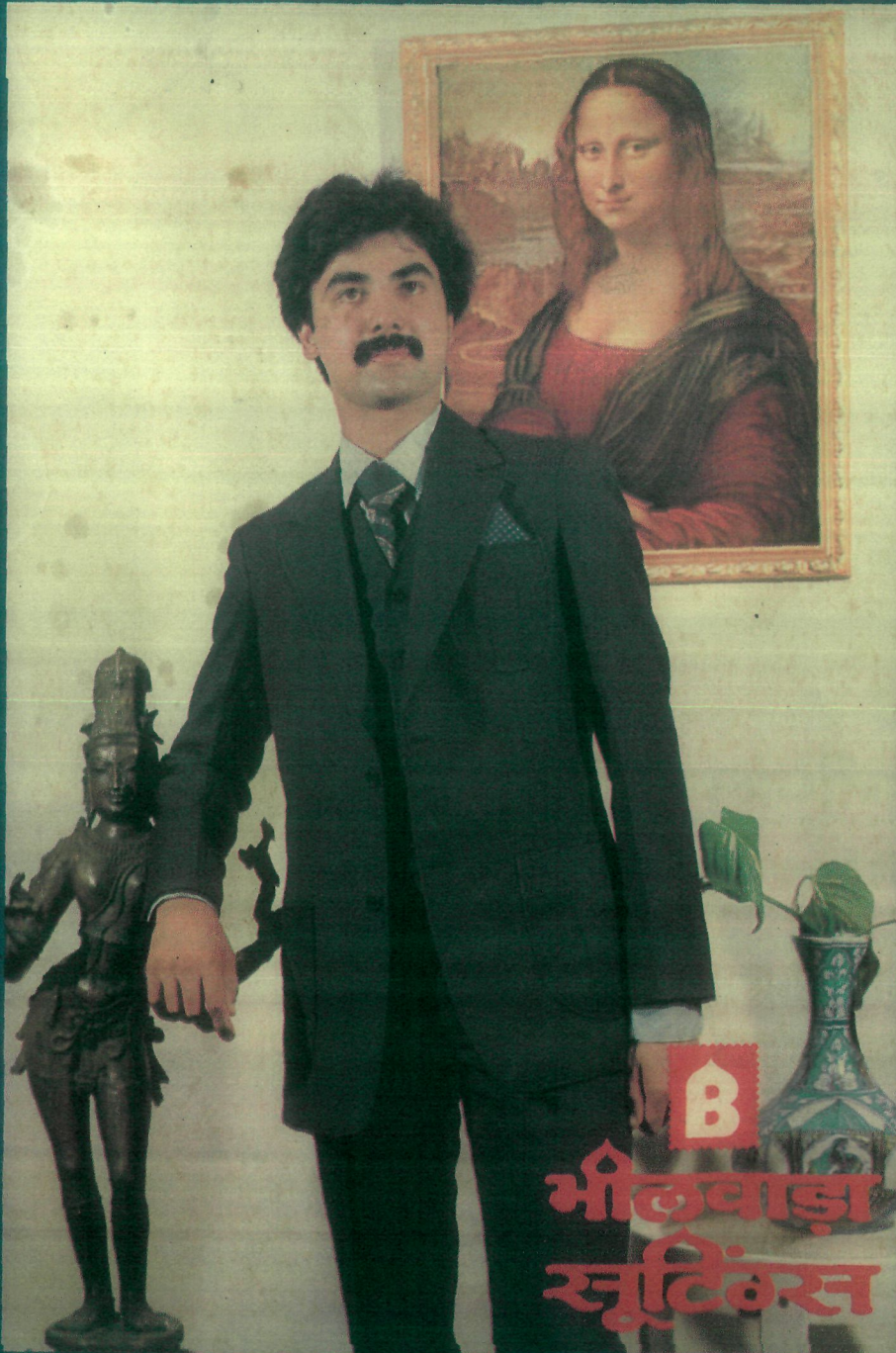
ANNEXURE-1NORMAL DISTRIBUTION OF INCOME IN A TEXTILE MILL

<u>ITEMS</u>	<u>PERCENTAGE</u>
1. Raw Materials	36.6
2. Stores, Spares Dyes and Chemicals	11.6
3. Salaries, Wages	16.1
4. Power and Fuel	8.2
5. Interest	4.0
6. Other Expenses	6.1
7. Excise-duty	12.1
8. Depreciation	2.0
9. Taxes	0.3
10. Dividends	1.1
11. Retained Profits	1.9
	<hr/>
	100%
	<hr/>

SOURCE : ANNUAL REPORT, MAFATLAL FINE 1980-81.



अधिकार एवं व्यक्तित्व का राजसी संगम

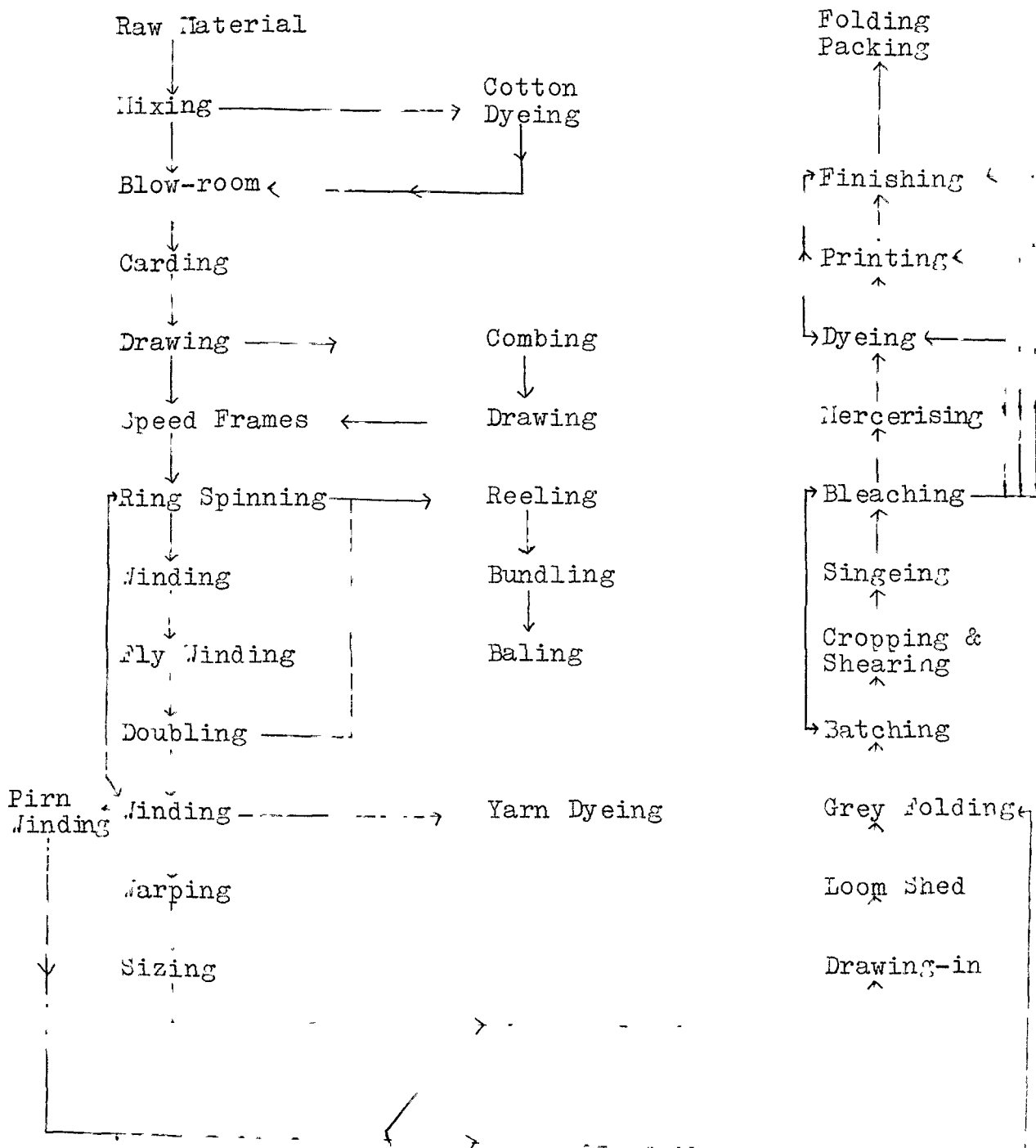


स्थिति पर आपका
पूरा नियन्त्रण है।
आप उत्साही,
कर्मठ व नतीजों पर
पहुँचने वाले हैं।
आप की सृष्टि को
इन गुणों को
शालीनता से
उजागर करना
चाहिए।
इस काम को
बखूबी करती है—
भीलवाड़ा स्रूटिंग्स
एक बार
पहन कर देखिए।

- डिप्लोमेट
- विन्श्राप
- सबलाईम

भीलवाड़ा
सिन्थेटिक्स
लिमिटेड
भीलवाड़ा (राजस्थान)

B
भीलवाड़ा
स्रूटिंग्स

ANNEXURE-4PROCESS FLOW CHART

PROCESS CHART OF WEAVING

PROCESS	DESCRIPTION	Time/No. of Days
<u>A -PREPARATORY :</u>		
1. Feeding	Means length of yarn in the beam to be fed to the loom.	2 hours
2. Creeling	Cones of yarn are arranged according to the warp plan over creel, A 600 metres beam requires minimum 5 cases (50 cases of 50 kg. each) of yarn	2 hours
3. Warping	Yarn is warped around warping cylinder	3 hours
4. Beaming	Transferring warp yarn wrapped on a bigger size cylinder to beam to be placed on the loom	1 hour
5. Drawing	Ends are drawn through shafts as per design	5 hours
6. Beam Gaiting	Placing beam on the loom & adjusting it	8 hours
7. Pin Dropping	Pins are dropped on each end	4 hours
<u>B -WEAVING</u>	We start getting woven fabric in 14 days but the completion of whole beam of 600 metres takes about 18 days	14 hours
<u>C -CHECKING & MENDING</u>		
i -	Grey checking : piece is checked for quality control	5 hours
ii -	Clipping & Mending : Faults/defects are mended as far as possible	3 hours
iii -	Folding & Despatch : Each piece is folded neatly and despatched.	2 hours
		<hr/> 15 $\frac{1}{2}$ days <hr/>

PROCESS CHART FOR FINISHING

(For daily production of 4000 metres piece dyed
suiting 10 lots and 2000 metres fibre dyed suiting 5 lots)

S. No.	Process	DETAIL	Time Pieced Dyed	No. of Day Fibre Dyed
--------	---------	--------	------------------------	-----------------------------

- PROCESSING DEPARTMENT.

1. Grey Receipt Receipt of goods from transport or party, opening balance tallying with challans and segregation for process. 1 - 1
2. Grey Checking Inspecting the goods for weaving defects, stains etc. by the grey inspection, grading them into A, B and C for light medium and dark shades. 2 - 1
3. Lot Making Length measurement on bar with width checking, weightment, Embroidering the lots nos. on both ends of pieces, marking the 'challans' and delivery to process house. 1 - 1
4. Sticking Generally the piece length is 50 metres and lot size is 500 metres, 10 pieces are situated together to make a lot of 500 metres, for 5000 metres 120 ends are to be stitched and flags of 100 cms for shrinkage control are to be put with threads on every piece. 1/2 - 1/2
5. Scouring Production capacity of 8 Jiggers is divided in such a way that there dye 10 lots secure 15 lots and single wash 15 lots every day. 1/2 - 1/2
6. Drying After scouring goods are dried on stenter machine on which the fabric has to pass 6 times in different stages i.e. S-coured dry, finishing, neutralizing after curing, all the six process. 1 - 1
7. Heat Setting The goods dyed today, set for heat setting tomorrow to shrink it and make it anticrease and antishrink. 1 - 1
8. Polyester Dyeing in Beam Dyeing In 2 beam dyeing machines 10 lots i.e. 4000 metres piece dyed suiting is dyed every day on 80% efficiency. 1 - 1

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1	2	3	4	5
9.Viscose Dying	According to jigge's capacity 4000 metres piece dyed suitin /dyed everyday	1	-	x
10.Drying	Dyed goods 6000 metres are dried on stenter in the routing of 6 stage	1	-	x
11.Dyeing faults Inspection	Dyed goods are inspected for dying defects on inspections perch by the expert inspectors	1	-	x
12.Clipping	All fibre dyed & piece dyed goods are checked for suspended thread left in weaving & mencing and threads are cut by trained menders/clippers.	1	-	x
13.Siggeing	After clipping the material is plaited into trollier lots stitched together and possed 3-4 times over 5" long flame on siggeing machines	1/2	-	1/2
14.Singe wash	Singed goods are washed on Jiggers having fixed time allotment for this process in addition to their vis-cose dyeing and scouring work	1/2	-	1/2
15.Curing	Above applied chemicals are fixed under heat of 150°C for giving 5 minutes contant time to all 6000 metres runing through polymersing machine at slow speed.	1/2	-	1/2
16.Finishing	Synthetic resin & finishing chemicals are applied on mangle/stenter for making viz cose portion antishrink and anticrease	1	-	1
17.Neutralising	Cured goods are given a neutralization & washing off treatment on mangle/stenter	1/2	-	1/2
18.Decatsing	It is a process like sanforise for synthetic goods, the capacity of pressure decotising machine on 80% efficiency is 6000 metres per day	1	-	1
19.Rotary special finish	---	1 1/2	-	1
20.Folding	Finished goods are double folded and measured on folding machines. The capacity of our machine is also same as of Decotising.	1 1/2	-	1
21.Quality	after completin; all processes, quality sample from every lot is tested by quality control department for colour fastness etc. and after the approval of quality control department.	2	-	1
TOTAL NO. OF DAYS IN FINISHING PROCESS			<u>21 1/2 - 13</u>	

ANNEXURE-7PROCESS CHART FOR FOLDING, PACKING AND BALING

S. NO.	Process	D E T A I L	TIME	NO. OF DAY
			PIECED	FIBRE
			DYED	DYED

- FOLDING AND DESPATCH DEPARTMENT.

1. Grading	Grading by expert graders into fresh 'thans', pent pcs, rags, etc. as permissible by standards	1 - 1/2
2. Patti Folding	Fresh 'thans' are folded on wooden patties and pent pcs into proper plates	1 - 1/2
3. Screening	Brand names, quality, constitution etc. (67 : 33) are printed by screen on individual thans and pent pcs and than metres are stamped	1/2 - 1/2
4. Fancy Packing	Paper bands wrapping ^{an} put into polythene	1/2 - 1/4
5. Case Packing	---	1/2 - 1/2

TOTAL NO. OF DAYS IN DESPATCH DEPARTMENT ...	<u>3 1/3 - 2</u>
--	------------------

GRAND TOTAL ...	25 days-15 days
-----------------	-----------------

A B B R I V I A T I O N S

ADD	After Delivery Discount
ATC	Average Total Cost
AVC	Average Variable Cost
BEP	Break Even Point
BPL	Bhilwara Processing Limited
BSL	Bhilwara Synthetic Limited
DA	Documents against Acceptance
DP	Documents against Payment
F/D	Fibre Dyed
MC	Marginal Cost
MR	Marginal Revenue
PV	Polyster Viscose
R & D	Research and Development
RSWM	Rajasthan Spinning and Weaving Mills
TC	Total Cost
TR	Total Revenue
TV	Television
PVC	Total Variable Cost
VC	Variable Cost.

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